

# Basel III - Pillar 3 Disclosures

31 March 2026

**National Bank of Umm Al Qaiwain**



## Contents

1.	General Information:.....	3
2.	Executive Summary: .....	3
2.1.	Purpose .....	3
2.2.	Overview of Basel III Requirements.....	3
2.3.	Capital Management.....	4
3.	Overview of risk management and RWA .....	5
3.1.	Template KM1: Key metrics (at consolidated group level).....	5
3.2.	Template OV1: Overview of RWA.....	7
4.	Leverage ratio.....	8
4.1.	Template LR1: Summary comparison of accounting assets vs leverage ratio exposure .....	8
4.2.	Template LR2: Leverage ratio common disclosure template .....	8
5.	Liquidity Risk Management.....	9
5.1.	Template LIQ1: Liquidity Coverage Ratio (LCR) .....	9
5.2.	Template ELAR: Eligible Liquid Assets Ratio .....	9
5.3.	Template ASRR: Advances to Stables Resource Ratio .....	10

## 1. **General Information:**

National Bank of Umm Al-Qaiwain (PSC) (the “Bank”) is a Public Shareholding Company incorporated in the Emirate of Umm Al-Qaiwain (“UAQ”) in the United Arab Emirates (“U.A.E.”) by Amiri Decree Number (1) on January 5, 1982, issued by His Highness, the Ruler of Umm Al-Qaiwain, and commenced its operations with effect from August 1, 1982.

The Group comprises National Bank of Umm Al-Qaiwain (PSC), Umm Al-Qaiwain, and Twin Towns Marketing Management (L.L.C.-SO), Dubai . The address of the Bank’s registered Head Office is P.O. Box 800, Umm Al-Qaiwain, United Arab Emirates.

The Group is engaged in providing retail and corporate banking services through a network of 9 branches in U.A.E.

The Group had been conducting Islamic banking operations through a dedicated Islamic banking window established in 2005, with Islamic banking products offered across the Bank’s branch network. The Group made a strategic decision to cease originating new Islamic banking business and to place the existing portfolio into run down. A portion of the portfolio remains outstanding and continues to be run down. In parallel, the Group is selectively undertaking transactions for certain wholesale banking customers, subject to specific approvals obtained from the UAE Central Bank, to support client requirements.

## 2. **Executive Summary:**

The Central Bank of the UAE published notice number CBUAE/BSD/N/2021/5508 on 30 November 2021 regarding Pillar 3 disclosures. These disclosures have been prepared in accordance with these guidelines.

### 2.1. **Purpose**

The purpose of this report is to enable market participants to access key information relating to Bank’s regulatory capital and risk exposures to increase transparency among the readers of this report. Further increase confidence over the bank stability.

### 2.2. **Overview of Basel III Requirements**

The Bank complies with Basel 3 standards and guidelines, which have been implemented in the UAE through notice reference CBUAE/BSD/N/2022/5280 dated 30 December 2022.

**For Pillar 1**, Bank has adopted the Standardized Approach for Credit Risk, the Standardized Approach for Market Risk and the Basic Indicator Approach for determining the capital requirements for Operational Risk.

**Pillar 2 covers** additional risk areas such as concentration risk, FIRB vs standardized approach risk, IRRBB risk, Liquidity risk, IT/outsourcing/fraud risk, business & strategic risk, reputational/legal/compliance risk, model risk, Market & Operational risk (additional Pillar 2), conduct risk, climate risk. The risk and capital assessment of these other areas are commonly referred to as “Internal Capital Adequacy Assessment Process (ICAAP)”. Under the ICAAP report, the Bank assesses the above-mentioned risks (where applicable) and measures that after combining pillar

1 and pillar 2 risk the Bank can withstand the regulatory and internal capital requirements. The Bank submits the ICAAP report to CBUAE on an annual basis.

**Pillar 3** focuses on Market Discipline and complements the minimum capital requirements (Pillar I) and the supervisory review process (Pillar II). The CBUAE supports enhanced market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposure, risk assessment process and hence capital adequacy. This report has been prepared in line with the same objective.

### **2.3. Capital Management**

Bank's capital management policy is to maintain a strong capital base to support the development and growth of business. Current and future capital requirements are determined based on loan growth expectations for each business unit, expected growth in off-balance sheet facilities, future sources and uses of funds and the Bank's future dividend policy. The Bank also ensures compliance with externally imposed capital requirement norms, strong credit ratings and healthy capital ratios to support its business and to maximize shareholders' value. During the year the Bank complied fully with all external imposed capital requirements. The CBUAE requires the banks in UAE to maintain a ratio of total regulatory capital to the risk-weighted assets at or above the agreed minimum of 10.5% (excl. buffers).

**3. Overview of risk management and RWA**  
**3.1. Template KM1: Key metrics (at consolidated group level)**

		a	b	c	d	e
	In AED'000	T 31 Mar 26	T-1 31 Dec 25	T-2 30 Sep 25	T-3 30 Jun 25	T-4 31 Mar 25
	<b>Available capital (amounts)</b>					
1	Common Equity Tier 1 (CET1)	4,861,530	4,865,474	5,195,769	5,006,300	4,982,397
1a	Fully loaded ECL accounting model	4,861,530	4,865,474	5,195,769	5,006,300	4,982,397
2	Tier 1	4,861,530	4,865,474	5,195,769	5,006,300	4,982,397
2a	Fully loaded ECL accounting model Tier 1	4,861,530	4,865,474	5,195,769	5,006,300	4,982,397
3	Total capital	4,958,698	4,953,987	5,245,052	5,173,888	5,138,738
3a	Fully loaded ECL accounting model total capital	4,958,698	4,953,987	5,245,052	5,173,888	5,138,738
	<b>Risk-weighted assets (amounts)</b>					
4	Total risk-weighted assets (RWA)	16,109,455	16,152,683	15,540,336	14,960,655	13,907,433
	<b>Risk-based capital ratios as a percentage of RWA</b>					
5	Common Equity Tier 1 ratio (%)	30.18%	30.12%	33.43%	33.46%	35.83%
5a	Fully loaded ECL accounting model CET1 (%)	30.18%	30.12%	33.43%	33.46%	35.83%
6	Tier 1 ratio (%)	30.18%	30.12%	33.43%	33.46%	35.83%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	30.18%	30.12%	33.43%	33.46%	35.83%
7	Total capital ratio (%)	30.78%	30.67%	33.75%	34.58%	36.95%
7a	Fully loaded ECL accounting model total capital ratio (%)	30.78%	30.67%	33.75%	34.58%	36.95%
	<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%) (0.50% from 1 <sup>st</sup> Jan 2025 Transition Period, effective from 1 <sup>st</sup> Jan 2026)	0.00%#	0.50%	0.50%	0.50%	0.50%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	3.00%	3.00%	3.00%	3.00%
12	CET1 available after meeting the bank's minimum capital requirements (%)	19.68%	19.62%	22.93%	22.96%	25.33%
	<b>Leverage Ratio</b>					
13	Leverage ratio exposure measure	24,346,427	23,977,483	23,039,086	21,376,262	20,018,020
14	Leverage ratio (%) (row 2/row 13)	19.97%	20.29%	22.55%	23.42%	24.89%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	19.97%	20.29%	22.55%	23.42%	24.89%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	19.97%	20.29%	22.55%	23.42%	24.89%
	<b>Liquidity Coverage Ratio</b>					
15	Total HQLA	NA	NA	NA	NA	NA



		a	b	c	d	e
	In AED'000	T 31 Mar 26	T-1 31 Dec 25	T-2 30 Sep 25	T-3 30 Jun 25	T-4 31 Mar 25
16	Total net cash outflow	NA	NA	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA	NA	NA
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA	NA	NA
<b>ELAR</b>						
21	Total HQLA	3,551,906	3,811,289	3,548,981	3,354,441	3,869,684
22	Total liabilities	16,532,632	15,879,428	14,675,779	13,512,144	12,055,939
23	<b>Eligible Liquid Assets Ratio (ELAR) (%)</b>	<b>21.48%</b>	<b>24.00%</b>	<b>24.18%</b>	<b>24.83%</b>	<b>32.10%</b>
<b>ASRR</b>						
24	Total available stable funding	20,515,397	20,496,095	19,584,943	17,893,138	16,488,245
25	Total Advances	13,202,356	14,166,585	12,652,006	11,645,372	11,482,042
26	<b>Advances to Stable Resources Ratio (%)</b>	<b>64.35%</b>	<b>69.12%</b>	<b>64.60%</b>	<b>65.08%</b>	<b>69.64%</b>

#CBUAE releases CCyB requirement from 0.50% to 0% effective from 17-03-2026 until further notice.

- CAR ratio declined by 617 bps in Q1'26 vs Q1'25 due to increase in total assets (increased by 24% on YOY basis). However, CAR ratio improved by 11 bps in Q1'26 vs Q4'25 due to increase in Tier II capital.
- Leverage ratio declined by 492 bps on YOY basis and by 32 bps on QOQ basis due to increase in exposure and reduction in Tier I capital.
- Growth in deposit balances, combined with a decrease in eligible HQLAs, led to a 252-bps decline in the average ELAR compared to the previous quarter. On a year-on-year basis, sustained deposit growth likewise contributed to a reduction in the average ELAR ratio.
- The reduction in advances led to a 477-bps reduction in ASRR compared to the previous quarter. Additionally, growth in Available Stable Funding (ASF), which outpaced the increase in advances over the prior year, contributed to a year-on-year decline in the ASRR ratio.

Note: LCR & NSFR as NA (not applicable) as these applies to D-SIB.

### 3.2. Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
In AED'000		T 31 Mar 2026	T-1 31 Dec 2025	T 31 Mar 2026
1	Credit risk (excluding counterparty credit risk)	14,578,571	14,558,367	1,530,750
2	Of which: standardised approach (SA)	14,578,571	14,558,367	1,530,750
3	Of which: foundation internal ratings-based (F-IRB) approach	0	0	0
4	Of which: supervisory slotting approach	0	0	0
5	Of which: advanced internal ratings-based (A-IRB) approach	0	0	0
6	Counterparty credit risk (CCR)	78	126	8
7	Of which: standardised approach for counterparty credit risk	78	126	8
8	Of which: Internal Model Method (IMM)	0	0	0
9	Of which: other CCR	0	0	0
10	Credit valuation adjustment (CVA)	78	126	8
11	Equity positions under the simple risk weight approach	0	0	0
12	Equity investments in funds - look-through approach	0	0	0
13	Equity investments in funds - mandate-based approach	0	0	0
14	Equity investments in funds - fall-back approach	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in the banking book	0	0	0
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	0	0	0
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	0	0	0
19	Of which: securitisation standardised approach (SEC-SA)	0	0	0
20	Market risk	21,980	49,037	2,308
21	Of which: standardised approach (SA)	21,980	49,037	2,308
22	Of which: internal models approach (IMA)	0	0	0
23	Operational risk	1,508,748	1,545,026	158,419
24	Amounts below thresholds for deduction (subject to 250% risk weight)	0	0	0
25	Floor adjustment	0	0	0
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>16,109,455</b>	<b>16,152,683</b>	<b>1,691,493</b>

- CRWAs increased by AED 20 mio due to increase in placements and unutilized limits.
- Market-risk weighted assets decrease by 27 mio majorly due to reduction in eligible equity exposure.
- Operational risk weighted assets decreased by 36 mio due to reduction in 3 years average income.

#### 4. Leverage ratio

##### 4.1. Template LR1: Summary comparison of accounting assets vs leverage ratio exposure

	a	b
	T 31 Mar 2026	T-1 31 Dec 2025
In AED'000		
Total consolidated assets as per published financial statements	23,200,157	22,889,932
Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(840,699)	(699,741)
Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0	0
Adjustments for temporary exemption of central bank reserves (if applicable)	0	0
Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0	0
Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	0	0
Adjustments for eligible cash pooling transactions	0	0
Adjustments for derivative financial instruments	388	631
Adjustment for securities financing transactions (ie repos and similar secured lending)	0	0
Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,213,962	2,019,973
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	0	0
Other adjustments	(227,382)	(233,133)
<b>Leverage ratio exposure measure</b>	<b>24,346,427</b>	<b>23,977,483</b>

##### 4.2. Template LR2: Leverage ratio common disclosure template

		a	b
		T 31 Mar 2026	T-1 31 Dec 2025
In AED'000			
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	23,076,989	22,744,398
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	0	0
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	0	0
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(104,214)	(87,779)
6	(Asset amounts deducted in determining Tier 1 capital)	(840,699)	(699,741)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>22,132,076</b>	<b>21,956,878</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	0	92
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	277	359
10	(Exempted CCP leg of client-cleared trade exposures)	0	0
11	Adjusted effective notional amount of written credit derivatives	0	0

		a	b
In AED'000		T	T-1
		31 Mar 2026	31 Dec 2025
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	<b>Total derivative exposures (sum of rows 8 to 12), (8 + 9)*1.4</b>	<b>388</b>	<b>631</b>
<b>Securities financing transactions</b>			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	CCR exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>0</b>	<b>0</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	3,476,615	3,015,848
20	(Adjustments for conversion to credit equivalent amounts)	(1,250,498)	(985,270)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(12,155)	(10,604)
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>2,213,962</b>	<b>2,019,973</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>4,861,530</b>	<b>4,865,474</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>24,346,427</b>	<b>23,977,483</b>
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>19.97%</b>	<b>20.29%</b>
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	19.97%	20.29%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	<b>0.00%</b>	<b>0.00%</b>

Leverage ratio declined by 32 bps on QoQ basis, due to increase in exposure and reduction in Tier I capital

## 5. Liquidity Risk Management

### 5.1. Template LIQ1: Liquidity Coverage Ratio (LCR)

LCR as NA (not applicable) as it applies to D-SIB

### 5.2. Template ELAR: Eligible Liquid Assets Ratio

		31 Mar 2026	In AED'000
1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,269,811	
1.2	UAE Federal Government Bonds and Sukuks	0	
	Sub Total (1.1 to 1.2)	3,269,811	3,269,811
1.3	UAE local governments publicly traded debt securities	282,095	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub Total (1.3 to 1.4)	282,095	282,095
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	<b>Total</b>	<b>3,551,906</b>	<b>3,551,906</b>
2	Total liabilities		16,532,632
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>21.48%</b>

Growth in deposit balances, combined with a decrease in eligible HQLAs, led to a 252-bps decline in the average ELAR compared to the previous quarter. On a year-on-year basis, sustained deposit growth likewise contributed to a reduction in the average ELAR ratio

### 5.3. Template ASRR: Advances to Stables Resource Ratio

The table below provides the breakdown of the Bank's Advances to Stable Resource Ratio (ASRR) as per the CBUAE Liquidity Regulations.

			31 Mar 2026
			Amount (AED'000)
Items			
<b>1</b>		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans minus (Stage 3 for Loans and Advances (Principal) + Provision for Interest & Fees past due more than 90 days and Legacy Interest in Suspense))	8,294,494
	1.2	Lending to non-banking financial institutions	127,188
	1.3	Financial Guarantees & Stand-by LC Issued	319,149
	1.4	Financial Guarantees & Stand -by LCs Received	0
	1.5	Interbank Placements with a remaining life of more than 3 months	4,461,525
	<b>1.6</b>	<b>Total Advances</b>	<b>13,202,356</b>
<b>2</b>		<b>Calculation of Net Stable Resources</b>	
	2.1	Total own funds + general provisions	6,352,586
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	113,543
	2.1.3	Funds allocated to branches abroad	0
	2.1.4	Treasury shares held / No INPUT required here	0
	2.1.5	Unquoted Investments	48,400
	2.1.6	Investment in subsidiaries, associates and affiliates	0
	<b>2.1.7</b>	<b>Total deduction</b>	<b>161,943</b>
	<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>6,190,643</b>
	<b>2.3</b>	<b>Other stable resources:</b>	
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	0
	2.3.3	Refinancing of Housing Loans	0
	2.3.4 (a)	Borrowing from non-Banking Financial Institutions remaining life of more than 6 months	8,460
	2.3.4 (b)	85% of the rest of NBFi Deposits	107,487
	2.3.5 (a)	Customer Deposits with remaining life of more than 6 months	2,969,066
	2.3.5 (b)	85% of the rest of Customer Deposits	11,239,741
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	Head Office loans towards meeting Large Exposure Funding	0
	<b>2.3.8</b>	<b>Total other stable resources</b>	<b>14,324,754</b>
	<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.8)</b>	<b>20,515,397</b>
<b>3</b>		<b>Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)</b>	<b>64.35</b>

The reduction in advances led to a 477-bps reduction in ASRR compared to the previous quarter. Additionally, growth in Available Stable Funding (ASF), which outpaced the increase in advances over the prior year, contributed to a year-on-year decline in the ASRR ratio